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DOE ARRA Production & Expenditure Update

May 26, 2011

Today's Agenda

- DOE ARRA - Unit Production / Expenditures Review
- DOE ARRA - Remaining Phase II Funds - RFI Update
- Upcoming Contract Amendments / Changes
- Weatherization of Multi-Family Buildings – 66% and 50% Eligibility Requirement
- Window Replacement Update
- Energy Audit Protocols –Overview
- CSD Energy Service Provider Survey
- Upcoming Agency Audits / Monitoring

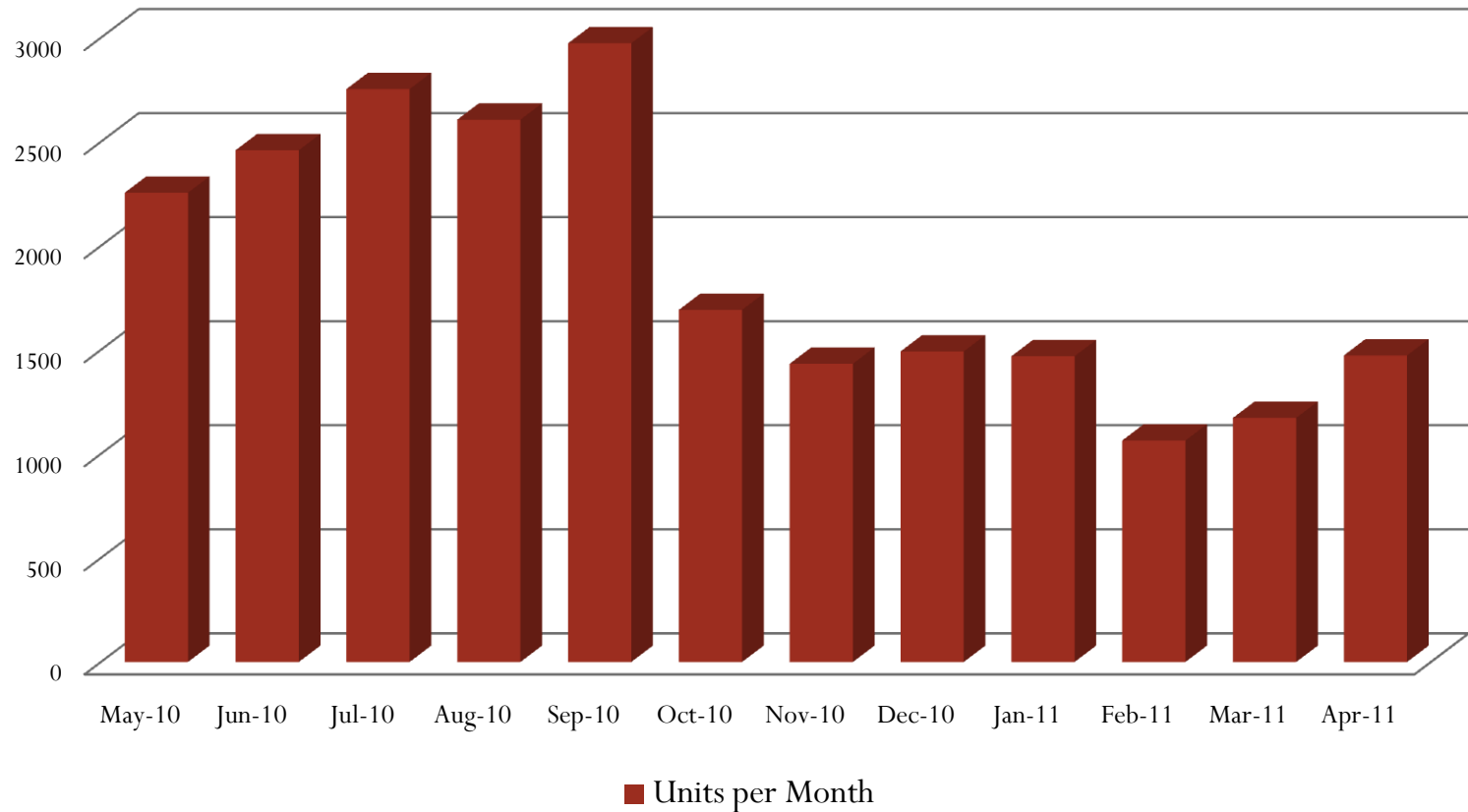
DOE ARRA Production

Statewide Results - As of April 30, 2011:

- Total Units Reported Complete: 26,807
- Total Units Weatherized – April 2011: 1,473
- Total Funds Reported Expended: \$70,725,225 (45%)
- Average Expenditure per Unit: \$2,302 / Unit
- Projected Total Units Needed to Fully Expend: 59,548
- Monthly Avg. Projected Units Needed: 3,274 / Mo.

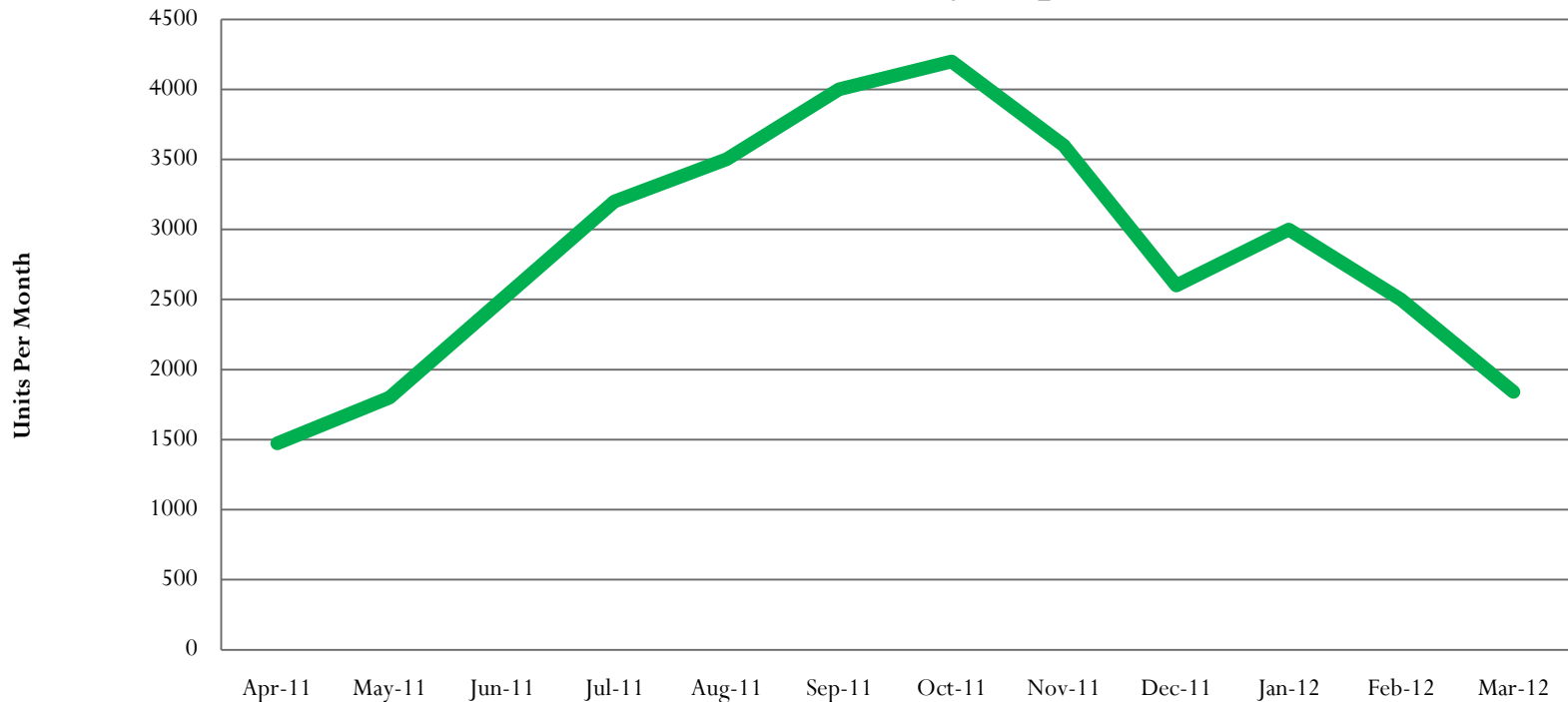
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Recent DOE ARRA Unit Production



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Projected Units Needed to Fully Expend ARRA Grant



	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12
Projected Units	1473	1800	2500	3200	3500	4000	4200	3600	2600	3000	2500	1841

* To simplify this projection, a Loaded Avg. Expenditure per Unit was utilized.

DOE ARRA - Remaining Phase II Funds

CSD has awarded all remaining ARRA Phase II funds

- Agencies have been informed of awards.
- A portion of funding was awarded based on agency responses to RFI #1 (Local Assistance Program Funding) and RFI #2 (T&TA Funding) released during April 2011.
- **IMPORTANT:** Contract Amendments are due back at CSD no later than June 20, 2011.

Upcoming Contract Changes

Contract Amendments

- DOE ARRA WAP: Contract amendments are being generated for selected agencies in response to RFIs.
- 2009/10 DOE WAP: Term extended through 6/30/12 - in process.
- 2011 LIHEAP: Contracts are being amended to release an additional \$78.3 million for 2011 Program Year.
- **PLEASE NOTE:** All amendments have quick turn around times and need to be executed before the end of the fiscal year. **All contract amendments must be back to CSD by June 20th.**

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Contract Amendments (Cont.)

- Additional amendments to all contracts are not funding related –
Key Items:
 - Energy Audit Protocols
 - MUDs - if buildings do not meet the 66% or 50% eligibility threshold, no units in building can be weatherized.
 - Window Replacement Policy
 - Updates to the “Reimbursement Rates for Weatherization Activities” matrix.
- A summary of contract language changes will be released to the network prior to the issuance of amendments.

Weatherizing Multi-Family Buildings

DOE's 66% and 50% Eligibility Requirement

- DOE Weatherization Program Notice 11-4 (December 2010)
- DOE Weatherization Program Notice 11-1 (December 2010)
- CSD to provide Program Guidance within the next several weeks to further define State policy.

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DOE WPN 11-4:

Prioritizing Weatherization Work Based on Housing Type

Major Points:

- Program Goal – Increase energy efficiency for dwellings owned or occupied by low-income persons (all housing types).
- Prioritizes vulnerable populations
 - Elderly
 - People with disabilities
 - Families with children
 - High residential energy users and households with a high energy burden
- Rental Housing Focus – majority of renters are income qualified for DOE WAP.
- Large multi-family buildings, because of their size, are often high energy users.

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DOE WPN 11-4:

Prioritizing Weatherization Work Based on Housing Type

Reminder Issued:

- Multi-family buildings are eligible only where not less than 66 percent (50 percent for duplexes and four-unit buildings) of the units in the building are income qualified under WAP eligibility guidelines.
- Vacant units are considered eligible if they will be occupied by an income-qualified household within 180 days.
- Weatherizing only single units within a multi-family building does not meet DOE's program requirements.
- Recommends energy audit approach to weatherizing multi-family buildings.
- Streamlined approach to income qualification available for properties that appear on HUD lists posted to DOE's website.

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DOE WPN 11-1:

Program Year 2011 Weatherization Grant Guidance

Section 5.2 Multi-Family eligibility:

- Reflects much of what appears in DOE WPN 11-4.
- Total investment possible in the building is determined by multiplying the number of qualified units by the program's allowable cost / unit (Currently \$6,500)
- Strongly notes that entire building must meet the 66% threshold (50% for 2 – 4 units) and that weatherizing only single units within a multi-family building would not meet program requirements.
- Weatherization work can result in improvements to all units in the building, even those not income-eligible. All units should be reported to DOE.

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Multi-Family Weatherization Wrap-Up

- Per Broadcast Bulletin 11-03, a whole-building approach to multi-family weatherization will go into effect on July 1, 2011.
- Weatherizing individual units within multi-family buildings will not be allowable under the DOE program.
- CSD will provide program guidance within the next several weeks detailing how to report “non-qualified” units in ServTraq and EPD.

Window Replacement Update

Energy Efficiency Window Replacement

- Effective May 1, 2011 an Energy Audit must be conducted if windows are being replaced for energy efficiency reasons.
- Replacement of windows under the “Infiltration Reduction – Window Replacement Measure” is allowable provided the window(s) meet the definition of a catastrophic leak as outlined in CSD’s Weatherization Installation Standards (WIS).
- The Reimbursement limit for windows replaced as an infiltration reduction measure remains at \$2,400 per weatherized dwelling.

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Energy Efficiency Window Replacement (Cont.)

- Window replacements for energy efficiency reasons have been moved to the “Optional Measure” category.
- Reimbursement limits for energy efficiency window replacements are based on the outcome of an energy audit.
 - For Example: If an energy audit determines that it is feasible to replace eight (8) windows at a cost of \$4,000 because the Savings-to-Investment-Ratio (SIR) is 1.0 or greater, then the service provider may replace the windows at the above cost.

Energy Audit Protocols - Overview

CSD has implemented two (2) energy audit protocols encompassing all housing types.

- Energy audits provide a more accurate and effective approach to assessing a measures energy efficiency.
- Audits have the potential to improve the quality of weatherization services for all housing types and provide for greater avg. expenditure per unit.
- Audits provide an opportunity for a whole-building approach to weatherization in multi-family properties.

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Large Multi-family Energy Audit Protocol

- TREAT – Targeted Retrofit Energy Analysis Tool – Approved for:
 - All high-rise residential buildings (4 stories and above)
 - Low-rise multi-family buildings (3 stories or fewer) with:
 - Shared (common) heating and AC
 - Shared hot water heating systems
 - Multi-family buildings containing 25 or more units
- TREAT audits are highly technical in nature and require the expertise of a trained energy consultant.
- CSD has issued a RFP to identify a select pool of TREAT auditing firms that agencies will be able to utilize.
- Completed TREAT audits must be submitted to CSD at Treat@csd.ca.gov for evaluation.

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Single-Family / Small Multi-Family Energy Audit Protocol

- REM/Design – Approved for:
 - Single-Family dwellings and Mobile Homes
 - Low-rise multi-family buildings (3 stories or fewer) containing:
 - Twenty-five (25) or fewer units
 - Individually metered
 - Where units are heated and cooled independently
 - Units have their own hot water heater
- Key personnel in Energy Service Provider network have received training in REM/Design.
- Completed REM/Design audits are submitted to the Rem@csd.ca.gov email address and receive approval, denial or a request for changes within three (3) business days.

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When should you perform a REM/Design Audit?

- When one or more measures in the priority list (for a particular climate zone and housing type) does not qualify for installation based on the Priority List table and one or more of the following apply:
 - Primary heating fuel source is other than gas, electric or wood; or
 - Client / household is not on a reduced income-qualified rate; or
 - Dwelling exhibits characteristics outside of the range of building types (i.e. Single family residence that is three (3) or more stories); or
 - There are audit-driven measures that may be feasible if an energy audit is performed (i.e. replacing a furnace or AC with a new high-efficiency unit, replacement of windows for energy efficiency reasons, etc.).

CSD Energy Service Provider Survey

Today, May 26, 2011 a survey will be emailed to all agencies

Purpose of the survey is to:

- Solicit feedback about how agencies are utilizing the new Priority List and REM/Design audit.
- Identify any barriers to using the new Priority List or audit.
- Determine agency confidence in meeting ARRA unit production and expenditure goals.
- Response is due to CSD by June 10, 2011. Response is mandatory for all agencies.

Upcoming Agency Audits / Monitoring

OIG and DOE Visits:

- The Federal Office of the Inspector General (OIG) will be selecting three (3) agencies to conduct program and fiscal audits.
- The Department of Energy will be conducting a general visit that will focus on implementing the new energy audit / priority list and to assess CSD's technical assistance training. (June 6 – 8, 2011)

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Areas to be evaluated during OIG visit:

- Allowable Costs
 - Davis-Bacon compliance
 - Job creation reporting
 - Quality of work
 - Procurement
 - Eligibility
 - Internal controls
- The Federal OIG advised that they plan to conduct a 3-5 day initial assessment at the selected agency and return later for a two-week period to conduct an in-depth audit.

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Department of Energy Monitoring

- DOE is commencing quarterly monitoring visits of CSD and its provider network to evaluate general administrative compliance and to assess quality of work.
- Monitoring visits that are scheduled or anticipated:
 - June 2011 – DOE plans to visit Redwood Community Action Agency and Self-Help Home Improvement Project, Inc.
 - August/September 2011 – DOE plans to visit at least two Bay Area agencies.
 - October/November 2011– DOE plans to visit at least two Southern California agencies.

Q&A

Questions / Discussion?

- Please raise your hand electronically on the “Go to Webinar” toolbar on your computer.
- We will recognize those with questions in turn.
- When you are called on to ask your question un-mute your phone by pressing *6 and then re-mute your phone by pressing *6 again when you are done.
- Further questions after the webinar? Please contact Chuck Belk at cbelk@csd.ca.gov and I will direct your question to the appropriate person.
- Thank you for your participation.